

DURAMARK TECHNOLOGIES

**209 EAST 175TH STREET
WESTFIELD, INDIANA 46074**

REQUEST FOR TAX ABATMENT



Executive Summary

DuraMark Technologies, Inc. (DMT) is a leading solution provider to the industrial labeling market through its patented process technologies and production capabilities. The company has broad based superiority versus virtually every available labeling alternative in the market for low and medium volume production of warning, instructional, and branding labels for durable goods.

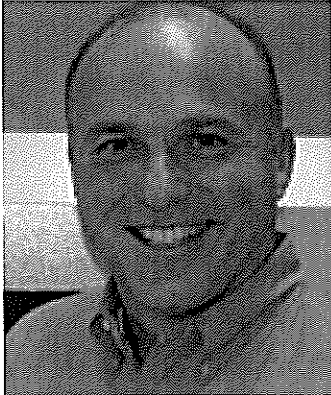
DMT incorporated in July 2007. It purchased the technology rights and the proto-type equipment from The Data Group Limited Partnership on August 9, 2007. DMT's founders, Mr. Bill Bussick, Mr. Bill Garland, and Mr. Steve Diller, were all involved in the business plan development and technology development of the digital printer equipment that is the heart of DMT's business today. These development activities were conducted at The Relizon Company, a large printing concern that employed all of the founders. Relizon eventually sold the rights to this equipment to The Data Group. Upon the sale of Relizon's Canadian business unit, DMT bought specific assets (intellectual property and the proto-type equipment) from The Data Group as its first significant business transaction.

DMT has evolving relationships with some of the world's most demanding industrial manufacturers. It has won business from more than 100 U.S. and Canadian based manufacturers in the past 24 months and the ramp up of business is ongoing as the Company's marketing and selling efforts advance.

The value proposition for the customer is very compelling and the ability to win new business is high. The purpose of this request is to provide financing to launch the company's continued sales growth.

Please refer to www.duramarktechnologies.com to view more detailed information about the company and its products and its various business activities.

Management



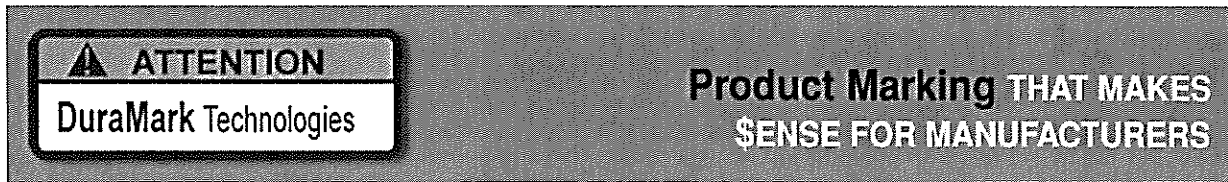
Bill Bussick □ President □ □

bill.bussick@duramarktechnologies.com

Prior to founding DMT, Mr. Bussick was a Senior Vice President of Sales for The Relizon Company. Mr. Bussick directed the activities of 825 employees and had profit and loss responsibility for a \$500 million sales operation. Under his leadership, the company achieved record revenue and profit growth in 2004 and 2005. Prior to this position, Mr. Bussick was the Vice President of Sales for the Midwest Division and held various other sales management roles. In total, he has 26 years of experience in the label and printing industry. Mr. Bussick holds a Bachelor of Science degree from Ball State University.

DMT currently employs 17 additional employees besides the key management team. These employees work, primarily, in technical support and processing, sales support and customer service, graphic arts, packaging and distribution functions, and administration. As a small upstart organization, employees often perform in multiple roles, with a focus on exceeding customer expectations.

Company Description



DuraMark Technologies, LLC

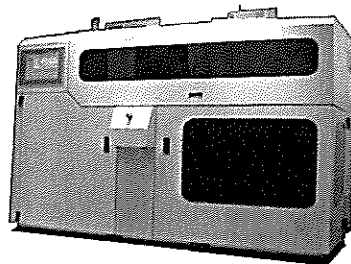
Founded: July 2007□

Location: Westfield, Indiana□

Employees: 16

Website: duramarktechnologies.com

DuraMark Technologies, Inc. is a leading solution provider to the industrial labeling market. As an innovative developer of equipment and processes essential to the production of variable-content and static-content labels for durable goods, the Company is dramatically improving the way equipment manufacturers manage product labeling.



Through its patented technology and production capabilities, DMT has broad based superiority versus virtually every available labeling alternative in the market for low and medium volume production of warning, instructional, and branding labels for durable goods.

The DMT labeling system excels in environments in which language and content are product specific, change often and where production volumes are relatively low.

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Bussick, Mr. Bill Garland, and Mr. Steve Diller, were all involved in the business plan development and technology development of the digital printer platform and kiosk that is the heart of DMT's business today. These development activities were conducted at The Relizon Company, a large printing concern that employed all of the founders. Relizon eventually sold the rights to this equipment to The Data Group. Upon the sale of Relizon's Canadian business unit, DMT bought specific assets (intellectual property and the proto-type equipment) from The Data Group as its first significant business transaction.

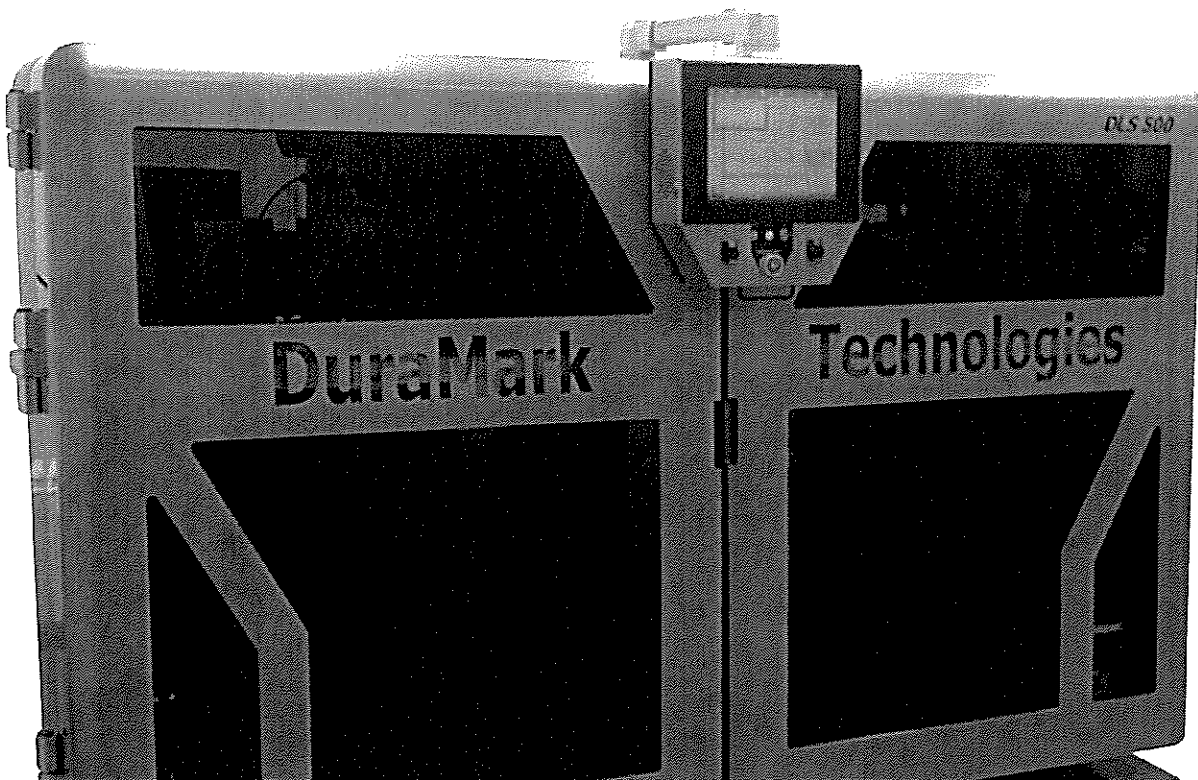
DMT has evolving relationships with some of the world's most demanding industrial manufacturers. It has won business from more than 100 U.S. and Canadian based manufacturers in the past few years and the ramp up of business is ongoing as the Company's marketing and selling efforts advance. The value proposition for the customer, both economically and non-economically, is very compelling and the ability to win new business is high. DMT often enters a new relationship with a single part number and then builds into multiple part numbers.

DMT has two distinct business lines: the Service Bureau Model ("SBM") and the Enterprise Model ("EM"). These business lines will be developed through unique go-to-market strategies. Both will be applicable long-term, but the SBM is currently dominant as the EM selling efforts just started in the 2nd quarter of 2010.

The Service Bureau Model follows a "print-to-order" approach. For this business line, DMT utilizes two Durable Label Solutions ("DLS 500") machines at its Westfield facility to manufacture individual labels and decals, or kits of labels, for clients and ships them, in needed quantities, to the clients' production centers. This will likely remain the primary sourcing strategy for smaller volume users who cannot justify the leasing commitment (at a capitalization cost approximating \$400,000) for an in-house DLS 500.

The Enterprise Model is geared for the high-volume user who needs an on-premises DLS 500. The printer technology developed by Relizon,

and is now owned by DMT, was developed for in-house, line-side use by large volume manufacturers such as General Motors and Chrysler. Several large manufacturers, such as Hill-Rom, The Alamo Group, Vermeer, Terex, and R.R. Donnelley, are carefully assessing the merits of the EM. DMT has over 30 current clients and prospects assessing the potential of acquiring the equipment, but with this financing the company will move to a contract purchase sales model. Management anticipates a minimum of 8 DLS 500 machines could be installed within the next 12 months through a supply contract – which will fully amortize the cost of the machine and allow no capital outlay for the client. In addition, all consumable goods (toners, film and adhesives) must be sourced through DMT.



Both models have appealing economic attributes. DMT's gross margins on the consumable products approximate 50-60% for both models. Direct cost savings are typically 20%-plus for the customer and soft cost attributes (most notably time-to-market and product flexibility) are also material. DMT's margins on building and installing the DSL 500 under the EM with a supply contract are also very attractive.

Existing customers include:

Lilly



BRIGHTPOINT
YOUR SUCCESS IS OUR BUSINESS



SKYJACK

Reliable lift solutions by people who care.



RR DONNELLEY



FINN



PLAST-O-FOAM LLC
Specialists in Thermoplastics



Wood-Mizer®



Market Analysis

The global label printing industry is estimated to be about \$63 billion in size. Management believes the global direct label segment of the durable goods manufacturing sector is approximately \$10 billion. The North American durable label market is estimated to be \$2.5 billion. There are literally hundreds of label converters participating in the supply of direct labels to durable manufacturers. Flexo and screen press technologies continue to dominate in this space. These existing processes have shortcomings: they are set-up dependent, rely on batch runs and are being environmentally scrutinized due to the heavy use of PVC vinyl. Most important, they are more expensive, require a capital expenditure and tooling, and provide lower quality than DuraMark Technologies.

Long-run production of labels is ill-fitted for the manufacturing dynamics in play today. Equipment manufacturers must capitalize on lean, flexible manufacturing, just-in-time parts delivery, process automation, parts sequencing, outsourcing of component assemblies, and globalization. DMT's label production processes take all of these attributes into consideration and address the complex needs of today's durable goods manufacturers. Because of its broad-based solutions, DMT is fast becoming embraced in the market place.

DMT made about 150 formal presentations and over 100 customers have made initial SBM purchases in the past two years. These initial purchases have been the beginning to broader SKU conversions and DMT believes it is making steady progress in becoming the exclusive label kit vendor for some of its largest customers. It expects this exciting trend to continue. There are literally 1,000's of potential customers.

Service Bureau and Enterprise Models offer Broad Coverage

The evolution of DMT's digital labeling technology for durable good producers started with the request to build a line-side solution for the auto industry. This led to the development of DMT's powerful label on demand technology and some of the original equipment that led to the development of the DLS 500. The original piece of equipment has been enhanced and remains a reliable workhorse device at DMT's Westfield operations. A second machine was also built and is helping meet increasing demand for SBM work.

Both models have outstanding economic attributes for the client and DMT is supporting and aggressively pursuing both opportunities to generate recurring revenues. The initial capital commitment in building the machines is an incremental cost that accompanies the EM, however, the ongoing graphics support staff, machine operators and machine investments become less prevalent under the EM.

Compelling Growth Opportunities

During 2010, many of DMT's existing and new "SB" customers emerged from the 2008 and 2009 recession with renewed demand for their products. The agricultural equipment-manufacturing segment has seen record demand. DMT's revenue grew year over year 420% in 2010 and 320% in 2011. The return to normalized production levels by existing clients as well as new client acquisition targets will fuel much of the near term growth projected by management.

DMT will also benefit from meaningful additions to its client roster. The company added 35 new clients in 2011 and expects significant increases for 2012 with the implementation of its sales and marketing plan. The growth in revenue will occur as the number of decals and labels produced by DuraMark increase as the conversion process matures and current inventories are depleted.

The company achieved success as it launched the Enterprise Model sales effort. No other competitor can enable an industrial manufacturer to print their durable label in one machine on demand in their own facility. DuraMark is revolutionizing industrial label printing much like the desktop laser printer changed traditional printing in the 90's. The business model of placing equipment in client facilities and then supplying the consumable materials has dynamic sustainable revenue growth potential.

DMT delivered and installed two DLS-500's in the 3rd quarter of 2011 and has over 50 prospects targeted for either equipment sales or a sales contract approach. The top 15 prospects are in the final decision making stage with reoccurring revenue potential of over \$5 million and a contract length of 3 to 5 years.

Service Bureau revenue is expected to grow 150% in 2012. This will occur even while our focus will be on "EM" installations through sale or sales contract. Furthermore, DMT's next generation equipment will include upgrades in speed and print quality that will open up new end markets such as healthcare and consumer products.

Solid, and Growing, Customer Base

DMT is pleased with the broad spectrum of customers using its labeling capabilities. Most existing customers are durable goods manufacturers and the business case is compelling for manufacturers large and small. Largest "SB" customers include scissor lift manufacturer, Haulotte Group, agricultural manufacturer, The Alamo Group, technical publication provider, CCI/Coakley Tech., forklift manufacturer, Toyota Industrial Equipment, commercial mower producer Dixie Chopper, and General Motors-Service Parts Organization. The two current "EM" clients are national printing provider, WorkflowOne and power tool manufacturer, Mi-T-M Corporation. Leading candidates for initial DLS 700 uset include Hill-Rom, Vermeer, Alamo Group, CCI/Coakley Tech and R.R. Donnelley.

DMT believes there are several thousand producers of durable goods, which could benefit from its labeling resources. Due to this customer depth, DMT doubts that, upon meaningful market penetration, its largest customer will account for over 10% of revenues.

STATEMENT OF BENEFITS
Form SB-1/PP
DuraMark Technologies, LLC

Section 2: Description of Proposed Tax Abatement

- 1) DuraMark has 4 new machines being built (complete and in production by 12/31/12 of which will cost the company approximately \$ 1,400,000. This is in addition to existing production equipment. The new equipment will allow the company to expand both in house production capabilities and customer usage agreements.
- 2) DuraMark is the only label / printer in the industry to have a patent on the unique label making process.
- 3) Allow DuraMark to continue it's high rate of growth

Section 3: Estimate of Employees and Salaries

DuraMark will add approximately 10 new employees over the next few years to support the 2012 equipment builds and the forecasted 2013 builds of another 4 to 6 units (\$ 1,400,000 to \$ 2,100,000). These jobs are in production operations, graphic design, field transaction managers, engineering, and sales. Growth in salary will exceed \$ 650,000

Another benefit of the property tax abatement is that the company needs to look for new space (additional 20,000 to 30,000 SF), and would like to stay in the Westfield area. The company has used 100% of the current location and only moved in a year ago.

Section 4: Estimate Cost

New DLS 700 Machines

4 new units will cost the company about \$ 1,400,000 and will be ready for use by end of this year (2012). The machines are very robust in construction and have a useful life exceeding 10 years. 100% of the requested 10 year abatement is for new equipment.

Summary and Request

This request of 10 year tax abatement will help the company grow in terms of equipment base, employees, and national stature. As large public companies visit Duramark (Vermeer, Genie, Hill-Rom, GM, Toyota) there is an opportunity for these companies to see all the available land for possible use. Good exposure for our community.

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